A1410-9F (A) 5/86

FINANCIAL AID FOR COMMUNITY COLLEGE STUDENTS: UNIQUE NEEDS AND SCARCE RESOURCES

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Funding for this report provided by the Ford Foundation

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FINANCIAL AID FOR COMMUNITY COLLEGE STUDENTS:

UNIQUE NEEDS AND SCARCE RESOURCES

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December 1985

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Foreword

This report looks at the financial aid received by students attending community colleges during the 1983-84 academic year. The data used in this report were collected as part of a national survey of student aid recipients at public and independent colleges.

ACE has issued two reports that examine student aid recipients using this same data base; "How Low-Income Families Pay for College" and "How Middle-Income Families Pay for College." These reports treated students at public and independent colleges as a group, without further analyses of the differences between students attending two- and four-year schools.

For many of the reasons stated in this report, it is important to examine students attending two-year colleges separately from their four-year college counterparts. As will be seen, students attending community colleges have unique needs for financial assistance, while their access to aid funds is somewhat limited.

Funding for this report and for the 1983-84 data collection were provided by the Ford Foundation. ACE is grateful for the Ford Foundation's support of this project.

Elaine El-Khawas
Vice President for
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I

Community colleges are a vital component of postsecondary education in the United States. Today, nearly five million students attend the more than 1,200 community colleges across the nation.[1]

While many students attend community colleges directly after high school graduation, a growing proportion of the community college population is made up of "non-traditional" students -- older students, part-time students, and students who have already had experience in the labor force. The courses offered by community colleges range from traditional liberal learning to vocational-technical training and to education for sophisticated technological careers.

This report examines full-time students attending public community colleges who received need-based financial aid. Among the findings of this report are:

- Students receiving aid at community colleges are
  - --older than traditional college students,
  - --more likely to be self-supporting students,
  - --more likely to be members of minority groups than the general population of students attending public two- and four-year colleges.
- About 95 percent of the aid recipients attending community colleges received Pell Grants during the 1983-84 academic year.
- Nearly 30 percent of these Pell Grant recipients receive no other form of financial aid.
- Nearly 30 percent of aid recipients attending community colleges secured Guaranteed Student Loans.
- Approximately 35 percent of the aid recipients at community colleges received state grants.

- Pell Grants, Guaranteed Student Loans, and state grants are the most common forms of aid found in the aid packages received by community college students.

The report is based on the findings of the 1983-84 Student Aid Recipient Survey (SARS), sponsored by the American Association of State Colleges and Universities (AASCU), the National Association of State Universities and Land-Grant Colleges (NASULGC), and the American Association of Community and Junior Colleges (AACJC) and funded by the Ford Foundation.

Because of the limitations of the survey data, only students who are attending school full-time are included in this analysis. While this limits our ability to examine a very significant portion of the community college population — part-time students — the vast majority of those receiving need-based financial aid attend school full-time. In 1983, approximately 63 percent of all students at public community colleges attended part-time. However, in that same year, only 16 percent of those public community college students who received Pell Grants, were part-time students. The rules governing federal and most state financial aid programs make it difficult for many part-time students to receive financial aid; to be eligible for Pell Grants students must be enrolled half-time or more. This limits the number of part-time aid recipients that were captured in the 1983-84 SARS survey.

Examples of Financial Aid Packages

The following are examples of the mix of family and financial aid resources — aid packages — used by dependent students and their parents to help meet the costs at community colleges. These packages are representative of the actual aid packages of community college students in similar economic circumstances. Of course, the aid received by individual students may vary from campus to campus.

Patrick

Patrick attends a community college in his home town. Patrick's parents annual income is $9,300 and the school charges $625 in tuition and fees. Patrick's total cost of attendance — including books, supplies, room and board, transportation, and personal expenses — is $4,581. His aid package looks like this:

Resource	Amount	Percentage of Costs
Family Contribution	$ 675	15%
Pell Grant	$ 924	20%
Work-Study	$ 550	12%
Guaranteed Loan	$1,700	37%
State Grant	$ 718	16%
Total Resources	$4,567	100%

Patrick's aid package falls only $13 short of meeting his full costs. Grants, though, make-up only about 36 percent of Patrick's total costs, meaning that he and his family are paying 64 percent of his college costs in the form of direct contribution, borrowing, and student earnings.

Carolyn

Carolyn attends a community college in her home state where a year's tuition and fees total $550. Carolyn's parents earn approximately $12,500 per year and her total cost of attendance — including room and board, books and supplies, transportation, and person expenses -- is $3,739. Carolyn's financial aid package looks like this:

Resource	Amount	Percentage of Costs
Family Contribution	($ 640)	17%
Pell Grant	$1,086	29%
Guaranteed Loan	$1,920	51%
State Grant	$ 620	17%
Total Resources	$3,626	97%

Carolyn's parents are using part of the proceeds from her Guaranteed Student Loan to help meet their family contribution. This practice is permitted under federal student aid regulations so that families like Carolyn's can choose to meet their parental contribution either from their current cash-flow or through future indebtedness -- the GSL. Thus, Carolyn's aid resources almost equal her cost of attendance. Grants cover 46 percent of her cost of attendance, meaning that the real cost of college for Carolyn's family is more than half of total costs.

Rebecca

Rebecca attends a community college in her home town. Tuition at her school is set at $675 and her total cost of attendance -- including room and board, books and supplies, transportation, and personal expenses — is $3,893 per year. The annual income of Rebecca's family is $19,500. Rebecca's financial aid package looks like this:

Resource	Amount	Percentage of Costs
Family Contribution	$ 896	23%
Pell Grant	$ 703	18%
Work-Study	$ 930	24%
Supplemental Grant	$ 355	9%
State Grant	$ 455	12%
Total Resources	$3,339	86%
Assistance from other sources	$ 554	14%

Rebecca's aid package meets only 86 percent of her costs. Nearly 40 percent of Rebecca's college costs will be met with grants from three different programs. This means that about 60 percent of her college expenses will have to be met through direct contribution from her parents and through money earned by Rebecca. In order to make up the difference between her available resources and her total cost of attendance, Rebecca could secure a Guaranteed Student Loan or work an extra six hours per week during the academic year in addition to her work-study obligation.

II

Financial Aid Recipients at Community Colleges Reflect the Changing Character of Postsecondary Enrollments

A greater proportion of student aid recipients at community colleges are female than is the case among aid recipients attending public colleges in general. Over 57 percent of dependent aid recipients at community colleges are female, as compared to 54 percent of all aid recipients at public colleges. Among self-supporting recipients, 63 percent of those at community colleges are female versus 58 percent of all self-supporting aid recipients at public colleges. These figures reflect partly the fact that a majority of all students attending community colleges (56 percent) are female.[2]

More than half (50.3 percent) of all full-time aid recipients at community colleges are self-supporting (i.e., they are not dependent on their parents for financial support). Only 40 percent of all aid recipients attending public colleges are classified as self-supporting.

A significant percentage of aid recipients at community colleges are members of minority groups. Black students account for 23 percent of community college aid recipients. In contrast, black students constitute 19.6 percent of all aid recipients attending public colleges — two-year and four-year combined.

Nearly half (49.3 percent) of all aid recipients at community colleges have been or are currently married. This compares to less than two-fifths (38.2 percent) of aid recipients attending all public colleges. Approximately 17 percent of the community college recipients are either divorced, separated, or widowed.

Self-supporting aid recipients at community colleges are much older than their dependent counterparts. More than 80 percent of self-supporting aid recipients are over 21 years of age. The following table illustrates the age distribution of aid recipients at community colleges:

Age Distribution of Community College Aid Recipients

Age	Dependent Students	Self-Supporting Students
<18	3.8%	1.2%
18-21	81.6%	16.7%
22-25	11.9%	25.8%
26-30	1.8%	27.2%
30+	1.0%	29.2%

Source: 1983-84 AASCU/NASULGC/AACJC Student Aid Recipient Survey.

More than half of the self-supporting financial aid recipients at community colleges are age 26 or over and nearly 30 percent are over 30 years old. This reflects the character of community college students today; they are not, generally, the traditional college student. Rather they may be returning to school for retraining, or starting their college career after several years in the labor force, or attending college so they can acquire new skills and raise their value in the marketplace.

Traditional dependent students, who enter the community college immediately after high school, are relatively young -- more than 85 percent are under age 22. By the time most of them reach age 22, they have either completed their associate degree program or have moved on to a four-year school.

Community Colleges Students Rely on Pell Grants to Help Meet College Costs

Pell Grants are the most common source of aid received by community college students. About 95 percent of all full-time financial aid recipients at community colleges received Pell Grants -- nearly 98 percent of self-supporting aid recipients and 93 percent of the dependent aid recipients.

Community college students receive Pell Grants that average well below the maximum allowable under law (which was $1,800 in 1983-84). The neediest dependent students at community colleges (those whose family incomes were below $5,000 per year) received Pell Grants averaging $1,028. The Pell Grants received by self-supporting students attending community colleges averaged about $940.

These relatively low award levels are a result of the Pell Grant rules that, in 1983-84, limited the size of these awards to no more than one-half of the student's cost of attendance (as defined by Pell Grant regulations).[3]

Approximately 25 percent of all Pell Grant recipients at community colleges receive no other financial assistance. Among dependent aid recipients, 23.8 percent receive only a Pell Grant, as do 27.3 percent of self-supporting aid recipients.

Community colleges have less federal campus-based aid funds available to distribute to their students than do four-year colleges. Because of this, the proportion of financial aid recipients who receive federal campus based aid -- Supplemental Educational Opportunity Grants (SEOG), National Direct Student Loans (NDSL), and College Work-Study (CWS) -- is much lower than the proportion of all financial aid recipients attending public colleges. This may be because the relatively low cost of community colleges limits the amount of campus based funds they are eligible for under the complex federal formulas that govern distribution of this aid.

The following table presents the proportions of community college aid recipients receiving campus based aid and the contrasting proportions of aid recipients attending all public colleges -- two-year and four-year.

Proportion of Community College and All Public College Aid Recipients Receiving Federal Campus Based Aid By Dependency Status

Dependent Students

Program	Community College Aid Recipients	All Public College Aid Recipients
SEOG	11.6%	24.0%
NDSL	7.6%	30.4%
CWS	21.6%	29.3%
Self-Supporting Students		
SEOG	16.0%	19.0%
NDSL	5.8%	23.6%
CWS	17.0%	25.7%

Source: 1983-84 AASCU/NASULG/AACJC Student Aid Recipient Survey

Community college students receive SEOGs and NDSLs that are relatively small in size. For dependent students, nearly two-thirds of these grants are for less than $500, while about half of the self-supporting recipients received SEOGs worth less than $500. The average SEOG is just over $500 for self-supporting students and just under $500 for dependent students attending community colleges.

Overall, middle-income dependent students are more likely to receive NDSLs than low-income dependent students. More than half of all the NDSLs awarded to dependent students at community colleges are made to students whose family incomes exceed $15,000 per year. Most dependent students receive NDSLs for less than $1,000, although about 20 percent of those students whose family incomes exceed $10,000 receive NDSLs in excess of $1,000.

NDSL awards to self-supporting students are slightly larger than SEOG awards. About one-third of these loans are for over $1,000 and average about $760 for self-supporting students.

On average, self-supporting students receive larger CWS awards than dependent students. Self-supporting students at community colleges receive an average CWS award of about $1,300, while the CWS awards to dependent students average around $950.

Between 20 and 25 percent of dependent aid recipients whose family incomes are below $25,000 receive CWS awards at community colleges. Once family income exceeds $25,000, the likelihood of a student receiving federal College Work-Study drops off sharply.

Nearly 30 percent of all full-time community college aid recipients secured Guranteed Student Loans. The GSLs secured by dependent students averaged $2,000, while self-supporting students secured an average GSL of nearly $2,150. Both these figures are close to the maximum $2,500 that undergraduates are permitted to borrow.

Nearly 30 percent of the dependent GSL borrowers at community colleges received no other financial assistance. A smaller proportion of self-supporting GSL recipients — 13.8 percent — received no other aid.

State grants provided additional grant support for about 40 percent of dependent aid recipients at community colleges. These grants averaged around $600, although most state grant recipients whose family incomes exceeded $15,000 received less than $500 in state assistance.

A smaller proportion of self-supporting aid recipients at community colleges were awarded state grants — 30.3 percent. Their state grant awards averaged $621.

III

The Financial Aid Packages Received by Community College Students Reflect Their Reliance on Pell Grants

Self-Supporting Students

Almost all (96.2 percent) of the self-supporting students at community colleges who receive more than one form of financial aid are Pell Grant recipients. Overall, almost 65 percent of the self-supporting student aid recipients attending community colleges used more than one form of aid (an aid package) to help meet college costs.

The most common combination of aid received by self-supporting students at community colleges is a Pell Grant and a Guaranteed Student Loan. Nearly 15 percent of all self-supporting student aid recipients used this combination of aid to help meet college costs (Package #1). The following is an example of this aid package derived from the average awards of students who were assigned this mix of financial aid in 1983-84:

PACKAGE #1

Aid Source	Average Award[a]
Family Contribution[b]	$3,638
Pell Grant	$ 916
Guaranteed Loan	$2,182
Total Resources	$6,736

[a]Averages are for students receiving these aid packages.
[b]Family Contribution as calculated via the federally approved Uniform Methodology
Source: 1983-84 AASCU/NASULGC/AACJC Student Aid Recipient Survey

The next most common aid package received by self-supporting students consists of a Pell Grant and a state grant. About 10 percent of the full-time self-supporting aid recipients at community colleges received support exclusively from these two sources. The following is an example of this aid package derived from the average awards of students who were assigned this mix of financial aid in 1983-84:

PACKAGE #2

Aid Source	Average Award[a]
Family Contribution[b]	$4,258
Pell Grant	$1,072
State Grant	$ 640
Total Resources	$5,970

[a]Averages are for students receiving these aid packages.
[b]Family contribution as calculated via the federally approved Uniform Methodology
Source: 1983-84 AASCU/NASULGC/AACJC Student Aid Recipient Survey

Total costs of attendance -- including tuition and fees, room and board, books and supplies, transportation, and personal expenses -- average about $6,000 for self-supporting students at community colleges. The total costs for self-supporting students are generally higher than those for students who are dependent on their parents for support because it is assumed that self-supporting students must cover all of their living costs from out of their own pockets; dependent students, on the other hand rely on their parents to a much greater extent to provide basic necessities. Housing costs, for example, would be the same for the parents whether the student lives at home or not; self-supporting students, though, make rent or mortgage payments solely to provide shelter for themselves and possibly their families.

It is important to note that students whose incomes are under $30,000 (which includes all of the self-supporting aid recipients at community colleges) can use all or part of the Guaranteed Student Loan to help meet the family contribution.

Other examples of the aid packages received by self-supporting students at community colleges include:

- Pell Grant, Guaranteed Student Loan, and state grant (received by 5.4 percent of self-supporting aid recipients);
- Pell Grant and College Work-Study (received by 3.8 percent of self-supporting aid recipients);
- Pell Grant, SEOG, CWS, and state grant (received by 2.5 percent of self-supporting aid recipients); and

- Pell Grant, SEOG, and CWS (received by 2.2 percent of self-supporting aid recipients).

Dependent Students

The most common aid packages received by full-time dependent students at community colleges are comprised of entitlement assistance — Pell Grants, Guaranteed Student Loans, and state grants. Eligibility for these programs is generally open to anyone who meets the need criteria established either by the federal or state government. Awards in all of these programs are not left to the discretion of campus financial aid administrators, as they are with the federal campus based aid programs.

The following are examples of aid packages received by full-time low-income dependent students:

Examples of Aid Packages for Low-Income Dependent Students at Community Colleges

Family Income = $0 - $4,999

PACKAGE #1		PACKAGE #2	
Aid Source	Average Award[a]	Aid Source	Average Award[a]
Family Contribution[b]	$ 533	Family Contribution[b]	$ 533
Pell Grant	$ 919	Pell Grant	$1,090
Guaranteed Loan	$2,142	State Grant	$ 591
		Guaranteed Loan	$2,142
Total Resources	$3,594	Total Resources	$4,356

Family Income = $5,000 - $9,999

PACKAGE #1		PACKAGE #2	
Aid Source	Average Award[a]	Aid Source	Average Award[a]
Family Contribution[b]	$ 677	Family Contribution[b]	$ 677
Pell Grant	$1,112	Pell Grant	$ 959
State Grant	$ 588	College Work-Study	$1,107
Total Resources	$2,377	Total Resources	$2,743

Family Income = $10,000 - $14,999

PACKAGE #1		PACKAGE #2	
Aid Source	Average Award[a]	Aid Source	Average Award[a]
Family Contribution[b]	$ 636	Family Contribution[b]	$ 636
Pell Grant	$1,088	Pell Grant	$1,086
State Grant	$ 617	State Grant	$ 620
		Guaranteed Loan	$1,920
Total Resources	$2,341	Total Resources	$4,262

[a]Averages are for students receiving these aid packages.
[b]Family contribution as calculated via the federally approved Uniform Methodology.
Source: 1983-84 AASCU/NASULGC/AACJC Student Aid Recipient Survey

Total costs for dependent students attending community colleges (including tuition and fees, room and board, books and supplies, transportation, and personal expenses) average between $3,500 and $4,000 per year. As noted previously, the cost of attendance for dependent students is considerably less than it is for self-supporting students. This is because the dependent students' parents are providing primary support for these students, while self-supporting students must support themselves and, in some cases, their families without parental assistance. Remember, though, that some or all of the Guaranteed Student Loans secured by students whose family's annual income is under $30,000 can be used to help meet the calculated family contribution.

Dependent students from middle-income families also rely on entitlement programs to help meet their costs at community colleges. As with low-income students, Pell Grants, Guaranteed Student Loans, and state grants make up the most common aid packages received by middle-income dependent students (defined as those whose family incomes exceed $15,000 per year).

The following are examples of the aid packages received by middle-income dependent students attending community colleges:

Examples of Aid Packages Received by Middle-Income Dependent Students Attending Community Colleges

Family Income = $15,000 - $24,999

PACKAGE #1		PACKAGE #2	
Aid Source	Average Award[a]	Aid Source	Average Award[a]
Family Contribution[b]	$ 879	Family Contribution[b]	$ 879
Pell Grant	$ 959	Pell Grant	$ 798
State Grant	$ 412	Guaranteed Loan	$2,079
		State Grant	$ 443
Total Resources	$2,250	Total Resources	$4,199

Family Income = $25,000 +

PACKAGE #1		PACKAGE #2	
Aid Source	Average Award[a]	Aid Source	Average Award[a]
Family Contribution[b]	$1,575	Family Contribution[b]	$1,575
Pell Grant	$ 529	Pell Grant	$ 577
State Grant	$ 355	State Grant	$ 225
Guaranteed Loan	$2,263		
Total Resources	$4,722	Total Resources	$2,377

[a]Averages are for students receiving these aid packages.
[b]Family Contribution as calculated via the federally approved Uniform Methodology.
Source: 1983-84 AASCU/NASULGC/AACJC Student Aid Recipient Survey

It should be noted that many middle-income students attending community colleges do not receive aid packages. This is especially true among aid recipients whose family incomes exceed $25,000; for over 37 percent of these students, a Guaranteed Student Loan was the only type of financial aid received.

IV

Conclusion: Unique Needs and Scarce Resources

Community college students are a mixture of traditional dependent students and older nontraditional students. The financial needs of these students vary greatly, yet community colleges have only scarce resources with which to meet their needs.

As this report has shown, federal financial aid is very important to these students, providing a large portion of the aid available to both dependent and self-supporting students. State grant aid is also an important financing tool for lower- and middle-income students attending community colleges. Overall, community college students receive aid in relatively small amounts and some community college students find themselves with significant gaps between their total costs and their available resources. On the other hand, Guaranteed Student Loans are enabling many community college students to meet their total costs and to help defray some portion of their expected family contributions.

The findings of this study indicate that although the costs at public community colleges are lower than those at four-year public schools and at independent colleges, the amount of aid available to community college students is limited. Thus, community college students face the same types of pressures experienced by students attending four-year schools in trying to meet the costs of college attendance.

Endnotes

1. Ottinger, Cecilia, 1984-85 Fact Book on Higher Education. (Washington, DC: American Council on Education, 1984) Table 106, p. 106.

   Ibid. Table #74. p. 106.

2. Ibid. Tables #86 and #87. pp. 86-87.

3. The regulations governing the Pell Grant program allow only a limited amount of living expenses to be included in the calculation of student's costs of attendance for the purposes of computing the size of a student's Pell Grant. In addition to the actual tuition and fee charges incurred by the student, schools are permitted to include in the student's Pell Grant budget up to $400 to cover the cost of books and supplies and $1,100 for students who live off-campus or the actual cost of room and board if the student resides in on-campus housing. In many cases, these budgets are considerably lower than those used to calculate eligibility for federal campus based aid, college-sponsored aid, or state aid, where institutions have more freedom in selecting and assigning values to the items included in the student's expense budget.

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Financial Aid for Community College Students:
Unique Needs and Scarce Resources

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